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Head of Equity Research (Hanoi)
Duong Duc Hieu
hieudd@kbsec.com.vn

Vingroup (VIC)

Investor Day 2021


Our analysts attended Vingroup's Investor Day event and noted some key information about the digital transformation process as well as the company's performance in manufacturing (VinFast) and technology (One Mount Group).

Vinfast plans to launch the first electric car into the US market in early 2022, and break even EBITDA in the next five years

- VIC's three current car models occupy the No. 1 market share in their segment. In 2020, VinFast sold 29,485 cars, including 18,016 Fadil, 6,013 Lux A2.0 and 5,456 Lux SA2.0 cars.
- The company plans to launch two gasoline and three electric car models by 2022, and start operating VinBus electric buses from 2021 in hope of achieving 30% domestic car market share. For foreign market, VinFast would only introduce electric car models. Two out of three electric car models mentioned above should be sold in US market in early 2022.
- VinFast is investing more in self-driving technology, battery technology and charging systems, voice control technology and other technologies for better customized experiences for drivers and passengers (Info-tainment system).
- The company plans to break even on EBITDA basis in the next five years thanks to increasing output and market share combined with reducing production costs.

One Mount Group (OMG) – 51.22% stake owned by Vingroup

- OMG inherits a huge customer data base from Vingroup. OMG's goal is to build the largest digital ecosystem in Vietnam with three main products: (1) Vin ID – a super app integrating many functions such as payment, housing management, goods purchase and services; (2) VinShop – a platform for grocery stores in all stages: purchase, shipping, store management, payment, financial support, and goods distribution that can become a distribution channel for other financial products and services; and (3) One Housing – "one destination – all needs" platform for housing and serving the needs of buying, selling, renting and other real estate related services.
- OMG's income mainly comes from fees from partners providing products and services on OMG's platforms.
- OMG's strategic partner is Techcombank (TCB), a provider of comprehensive financial solutions.



Vingroup's digital transformation process

- Vingroup's goal is to increase the proportion of revenue from technology/manufacturing at the current 20% to 50%.
- Some achievements of digital transformation: (1) comprehensive smart home and smart city solution deployed in Vinhomes Grand Urban; (2) face recognition technology widely applied in Vinpearl hotels and resorts and VinWonders; (3) OneVinmec application deployed since May 2020 that provides many medical solutions for customers; (4) personal movement tracking devices such as the Vantix band, which helped to raise labor productivity at Vinpearl by 15–25% and (5) the digitalization of management, asset maintenance and self-allocation activities at Vincom Retail.

KB SECURITIES VIETNAM RESEARCH

Head of Research – Nguyen Xuan Binh

binhnx@kbsec.com.vn

Macro/Strategy

Head of Macro & Strategy – Tran Duc Anh

anhthd@kbsec.com.vn

Macro Analyst – Thai Thi Viet Trinh

trinhhtt@kbsec.com.vn

Market Strategist – Le Anh Tung

tungla@kbsec.com.vn

Equity analyst – Tran Thi Phuong Anh

anhhttp@kbsec.com.vn

Equity (Hanoi)

Head of Equity Research (Hanoi) – Duong Duc Hieu

hieudd@kbsec.com.vn

Information Technology & Logistics Analyst – Nguyen Anh Tung

tungna@kbsec.com.vn

Property Analyst – Pham Hoang Bao Nga

ngaphb@kbsec.com.vn

Power & Construction Material Analyst – Nguyen Ngoc Hieu

hieunn@kbsec.com.vn

Equity (Ho Chi Minh)

Head of International Research (Ho Chi Minh) – Harrison Kim

harrison.kim@kbfq.com

Consumer & Retailing Analyst – Dao Phuc Phuong Dung

dungdpp@kbsec.com.vn

Oil & Gas & Fisheries Analyst – Nguyen Thanh Danh

danhnt@kbsec.com.vn

KB SECURITIES VIETNAM (KBSV)

Head Office:

Levels G, M, 2 & 7, Sky City Tower, 88 Lang Ha Street, Dong Da District, Hanoi, Vietnam
Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

Hanoi Branch:

Level 1, VP Building, 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam
Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

Ho Chi Minh Branch:

Level 2, TNR Tower Nguyen Cong Tru, 180–192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam
Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, HCMC, Vietnam
Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

CONTACT INFORMATION

Institutional Client Center: (+84) 28 7303 5333 – Ext: 2656
Private Customer Care Center: (+84) 24 7303 5333 – Ext: 2276
Email: ccc@kbsec.com.vn
Website: www.kbsec.com.vn

Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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